

Voluntary Report - public distribution

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Germany

Grain and Feed

German Grain Crop 2004 - 2nd Official Estimate 2004

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Report Highlights:

The German grain crop has been revised upward by another 740,000 tons to 50.8MMT, which resembles a new record crop. The EU intervention prices set the price floor for barley and regular baking wheat. High quality wheat varieties receive price premiums due to quality problems in Great Britain and some Mediterranean regions.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Berlin [GM1]
[GM]

On October 4, 2004, the German government released its second official crop estimate for grains. Numbers are creeping higher to an even higher record production. The latest estimate for grains results at 50.8 MMT, an increase of 29 percent over the low level of 2003.

2nd Official German Grain Crop Estimate

	2003			2004			% Change
	Area 1000 ha	Yield MT/ha	Production 1,000 MT	Area 1000 ha	Yield MT/ha	Production 1,000 MT	
Winter Wheat	2,833	6.56	18,566	3,046	8.21	25,007	1.35
Spring Wheat	124	5.33	659	47	6.25	290	0.44
Durums	7	4.72	35	8	6.10	49	1.41
All Wheat	2,964	6.50	19,260	3,101		25,347	1.32
Rye	531	4.29	2,277	621	6.13	3,809	1.67
Winter Barley	1,323	5.28	6,979	1,360	7.06	9,602	1.38
Spring Barley	751	4.81	3,617	613	5.49	3,365	0.93
All Barley	2,075	5.11	10,596	1,974		12,967	1.22
Oats	262	4.59	1,202	227	5.20	1,179	0.98
Spring Mixed	34	4.18	137	25	4.62	113	0.83
Winter Mixed	11	4.43	53	10	6.08	58	1.10
Triticale	500	4.97	2,480	505	6.49	3,277	1.32
All	545		2,670	539		3,448	1.29
Corn	463	7.24	3,354	455	8.94	4,062	1.21
Grand Total	6,839	5.76	39,359	6,916		50,813	1.29

Source: German MinAgr.

In September grain prices seem to have found bottom floor. For barley, the intervention price sets the floor. Regular baking wheat costs about four Euros more at the farmgate. Quality wheat receives price premium of another five Euro. Due to stronger demand for elite wheat varieties in Great Britain, Northern Italy and Spain high quality wheat earns an additional premium of ten Euro. In 2003 the premium for elite wheat had been rather meager at 4.50 Euro. Average prices for rye are about 18 Euro lower than regular baking wheat and 14 Euro below feed barley. Price trends for baking wheat varieties, feed barley, rye and triticale point upwards slightly. Due to the rainy weather at the end of the harvesting season in late August a portion of the wheat crop has been sprout damaged and can only be used for feeding.

By mid September, farmers sold most of the grain, they could not store on the farm, to the trade and the processors. The other portion has been stored away and will not cut into the markets at the moment. At the beginning of November, large volume of barley is expected to be offered to intervention (see also GM4032). Grain trade experts do not foresee any significant further downward pressure for grain prices for the next few months. Most processors seem to be well supplied with grain purchased during the harvest period.